Officials in the last one year. C.B.I. have also registered 5 cases in Delhi and Bombay.

(c) A system of Trunk Monitoring and Observation is built in the working of the Trunk Exchanges to check any malpractice.

Collaboration of private airlines with foreign airlines

*23. SHRI MOHAMMED AFZAL alias MEEM AFZAL : Will the Minister of CIVIL AVIATION AND TOURISM be pleased to state :

(a) whether it is a fact that the private airlines and Air Taxi operators in India were permitted to collaborate with foreign airlines on domestic or international routes by Government;

(b) whether it is also a fact that Jet Air, a domestic travel agency, is planning to collaborate with Gulf Air;

(c) whether the Air Corporation Act is thus violated; and

(d) if so, whether Government have any plan to amend the Air Corporations Act ?

THE MINISTER OF STATE OF THE MINISTRY OF SURFACE TRANSPORT (SHRI JAGDISH TYTLER) : (a) No, Sir.

(b) Messrs Jet Airways (India) Private Ltd. has submitted a proposal which envisages, inter alia, the following :

(i) Jet Airways will be wholly owned by an overseas corporate body (NRI-OCB Company) called Tail Winds Limited.

(ii) Structure of the NRI-OCB namely, Tail Winds Limited, will be as follows :

(a) 60% of the equity to be held by Mr. Naresh Goyal, an NRI.

(b) The balance 40% of the equity to be held by foreign investors, namely, Gulf Air and Kuwait Airways to the extent of 20% each.

(c) and (d) The Air Corporations Act, 1953 was enacted with a view to facilitating acquisition of undertakings of certain existing air companies and generally to make further and better provisions for operation of air transport services. A Bill to repeal the Act has been introduced in the Lok Sabha.

Periodical checking of foreign banks

*26. SHRI RAMACHANDRAN PILLAI :
SHRI M. A. BABY :

Will the Minister of FINANCE be pleased to state :

(a) whether it is mandatory for the RBI to scrutinise periodically the purpose for which money was paid into vostro accounts by foreign banks;

(b) whether RBI is performing this task regularly;

(c) whether RBI could identify any abuse of the said system in any of these banks; and

(d) if so, the details thereof ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND THE MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS (DR. ABRAR AHMED) : (a) and (b) Reserve Bank of India (RBI) have reported that all authorised dealers in foreign exchange including foreign banks are required to report to the RBI on a fortnightly basis foreign exchange transactions including transactions in Vostro accounts. Regional Offices of RBI regularly audit reported transactions on sample basis. RBI also undertake periodic inspections of authorised dealers, including foreign banks, during which Vostro accounts are also scrutinised.